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Partners, Inc.

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

JOHN B. BIVONA; SADDLE RIVER
ADVISERS, LLC; SRA MANAGEMENT
ASSOCIATES, LLC; FRANK GREGORY
MAZZOLA

Defendants.

Case No. 3:16-cv-1386

**RECEIVER'S MOTION FOR
APPROVAL OF FEES AND
EXPENSES OF TAX
PREPARER RETAINED BY
THE RECEIVER FOR THE
PERIOD NOVEMBER 1, 2017
TO APRIL 30, 2018**

Date: August 9, 2018

Time: 1:30 PM

Courtroom: 5

Judge: Edward M. Chen

PLEASE TAKE NOTICE that on August 9, 2018, in Courtroom 5 at 1:30 PM, the Receiver in the above captioned matter, Sherwood Partners, Inc. ("Sherwood"), will move this Honorable Court for the approval of the fees and expenses of Fineman West & Co. LLP ("Fineman") for their services in the preparation and filing of tax returns for certain of the Defendants and Relief Defendants for the years 2015 and 2016. This Motion consists of the Notice of Motion, Motion and the accompanying declaration of Michael Maidy as Co- Managing

1 Member and Co-Founder of Sherwood, including Exhibit A appended
2 thereto, which reflects the time billings and expenses of Fineman,
3 performing services at the Receiver's request.

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7 Dated: June 29, 2018

GARTENBERG GELFAND HAYTON
LLP

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9 By: /s/ John W. Cotton

10 John W. Cotton
11 Counsel to the Receiver
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MOTION FOR PAYMENT OF TAX PREPARER'S FEES

I. Background

On October 11, 2016, this Honorable Court issued an Order of Appointment of Receiver ("the Order") and thereby appointed Sherwood Partners, Inc. ("Sherwood") as Receiver in this matter. The Order, at Sec. II F, permitted Sherwood to retain professionals, including accountants, to assist it in performing its duties. See: Docket No. 142. Those duties included, among others, the obligation to ensure that the Defendants and Relief Defendants filed necessary tax returns for their years (or partial years) of operation before becoming assets of the Receivership Estate.

By this Motion, Sherwood, through its Co- Managing Member and Co-Founder, Michael Maily ("Maily") requests that this Court approve the fees and expenses of the accountancy firm of Fineman West LLP ("Fineman"), which was retained by Sherwood to organize, and review the Defendant corporations' books and records for the preparation and filing of federal and state tax returns for the years 2015 and 2016 for four (4) separate SRA entities. This Motion consists of the Notice of Motion, Motion, the Declaration of Maily, and the time and expense records of Fineman (Exhibit A to the Declaration of Maily).

II. The Fee Application for Fineman's Services and Fineman's Further Retention

As the Declaration of Maily sets forth, the period for which Sherwood makes this Motion is November 1, 2017 to April 30, 2018. Fineman presented the Receiver with these bills for the applicable time period, after the conclusion of its work and the filing of the affected federal and state tax returns for the years 2015 and 2016.

1 As Maily notes, at the time of engaging Fineman, Sherwood's staff,
2 in reviewing the language of the *first* paragraph of the Order in Section
3 XIV, believed that the retention of Fineman did not require prior
4 approval of this Court, as such was done "in the ordinary course of the
5 administration and operation of the receivership", under which
6 required business activity did not require any further approval. Maily
7 Decl. at ¶ 5. Subsequently, when Fineman's bills were presented to
8 Sherwood, and the Receiver's counsel reviewed the request for
9 payment, it was then noted to the Receiver by its counsel, that the
10 *second* paragraph of Section XIV of the Order might be applicable, which
11 would have required advance approval of Fineman's retention. Maily
12 Decl. at ¶ 6.

13 Mr. Maily, on behalf of Sherwood, apologizes to the Court for any
14 misinterpretation of Section XIV of Docket No. 142 by its failure to seek
15 approval for Fineman's retention, if in the Court's view such a failure
16 occurred. Further, Mr. Maily respectfully requests approval for the
17 future use of Fineman for the preparation of further, necessary federal
18 and state tax returns of the Defendants and Relief Defendants. Maily
19 Decl. at ¶ 6. As Maily states, he and other senior Sherwood personnel
20 have worked extensively with Fineman, and found it to be a reliable and
21 capable firm for such tax preparation work. Maily Decl. at ¶4.

22 Mr. Maily has reviewed Fineman's billings, and has found them in
23 all respects to be reasonable and necessary, and customary for the work
24 that was performed. In sum, Sherwood believes the format of the
25 Fineman bills to be consistent with the SEC's "Billing Guidelines for
26 Receivers" and to have been done within the assigned scope of work
27 given to them by the Receiver. Maily Decl. at ¶7. Fineman has prepared
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four (4) separate state and federal tax returns for the years 2015 and 2016, for the entities SRA Fund I, SRA Fund II, SRA Fund III and SRA Management Associates LLC for the amount requested. Maily Decl. at ¶8.

III. Conclusion

For the forgoing reasons, the Receiver requests that the Court approve the billings of Fineman as tax preparers for the Estate, as set forth above. Those fees and expenses total \$33,778.50 for the work completed in filing 2015 and 2016 tax returns for four (4) separate entities; SRA Fund I, SRA Fund II, SRA Fund III and SRA Management Associates LLC. The Receiver also requests that the Court approve the use of Fineman for further tax preparation work required for the administration of the Receivership estate.

Dated: June 29, 2018

GARTENBERG GELFAND HAYTON
LLP

By: /s/ John W. Cotton

John W. Cotton
Counsel to the Receiver